



PACKAGING SOLUTIONS CORPORATION TERMS AND CONDITIONS

SPECIAL ORDERS

The goods described on the front hereof are not carried in inventory by Packaging Solutions Corp. and must be specially manufactured. Customer agrees to accept and pay for all conforming goods only according to the terms and conditions contained herein. NOTWITHSTANDING ANY DIFFERENT OR ADDITIONAL TERMS THAT MAY BE EMBODIED IN CUSTOMER'S PURCHASE ORDER. CUSTOMER'S ORDER IS ACCEPTED ONLY ON THE CONDITION THAT CUSTOMER ASSENT TO THE TERMS AND CONDITIONS CONTAINED HEREIN. Customer shall be deemed to have assented to all the terms and conditions contained herein unless Customer notifies Packaging Solutions Corp. in writing of any objection relating thereto. Customer may not cancel this agreement nor change specifications for any of the goods without Packaging Solutions Corp.'s written consent.

PAYMENT

Terms of payment are as stated on Packaging Solutions Corp.'s price quotation, or if no price quotation has been provided by Packaging Solutions Corp., terms of payment shall be as stated on the Order Acknowledgment. Title and risk of loss pass to Customer and delivery shall occur at Packaging Solutions Corp.'s plant subject to a purchase money security interest retained by Packaging Solutions Corp.. Packaging Solutions Corp. may refuse to deliver any goods so long as it, in its sole and exclusive discretion, has reasonable grounds for insecurity concerning Customer's financial condition or Customer's ability or willingness to perform its obligation hereunder. Partial deliveries of goods may be separately invoiced by Packaging Solutions Corp. and Customer shall pay for such partial deliveries according to the terms contained herein.

WARRANTIES

Packaging Solutions Corp. warrants that the goods herein sold shall conform to the specifications stated hereon subject to variations in materials and color within industry standards. This warranty is expressly in lieu of any other warranties, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, and of any other obligations or liability on the part of Packaging Solutions Corp.. CUSTOMER ASSUMES ALL RISK AND LIABILITY FOR ALL LOSS, DAMAGE OR INJURY TO PERSON OR PROPERTY RESULTING FROM THE USE OF SAID GOODS IN MANUFACTURING PROCESSES OR IN COMBINATION WITH OTHER SUBSTANCES OR OTHERWISE. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, AND THE LIMIT OF Packaging Solutions Corp.'s LIABILITY FOR LOSS FROM ANY CAUSE WHATSOEVER, SHALL BE THE PURCHASE PRICE OF THE GOODS AS TO WHICH A CLAIM IS MADE.

LIMITATION OF LIABILITY

PACKAGING SOLUTIONS CORP. SHALL NOT BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY DEFECT, SHORTAGE, OR DELAY OR ANY BREACH OF WARRANTY. PACKAGING SOLUTIONS CORP.'S LIABILITY UNDER ANY CIRCUMSTANCES, INCLUDING PACKAGING SOLUTIONS CORP.'S NEGLIGENCE, SHALL NOT EXCEED THE PRICE OF THE DEFECTIVE GOODS. Packaging Solutions Corp., in its sole and exclusive discretion, may remedy acknowledged defects by repair, replacement or refund of the price paid for defective goods for which a timely and proper claim has been submitted.

CLAIMS

Immediately upon receipt of the goods, Customer shall inspect the same. Customer's failure to provide Packaging Solutions Corp. with written notice of any claim relating to the goods within seven (7) days of receipt of the goods shall be deemed to constitute satisfactory performance on the part of Packaging Solutions Corp.. Any such written notice of a claim not received by Packaging Solutions Corp. within the above mentioned period shall be deemed waived. Goods for which Customer makes any claim against Packaging Solutions Corp. must be held at Customer's expense for Packaging Solutions Corp.'s inspection. It shall be Customer's responsibility to pursue claims against the carrier when goods have been damaged or lost in transit. Under no circumstances may Customer cancel this agreement as a result of the delivery of defective goods.

WAIVER OF PROOF

If Customer waives proof for orders to be produced by Packaging Solutions Corp., Customer thereby assumes entire liability for costs incurred.

PLATES AND DIES

Dies or plates paid for by Customer are to be used on their orders only. Packaging Solutions Corp. accepts responsibility for tooling dimensions when tooling is purchased to Customer's written specifications. Possession of said plates and dies is retained by Packaging Solutions Corp., who assumes responsibility for their maintenance. In some cases, final product tolerances will be established after a pilot or initial production run. Materials having abrasive characteristics typical of foils, impregnated compounds, reactive agents, etc. will significantly shorten tool life. Such tooling can be expected to wear at varying rates when processing these specialized materials. Dies will be subject to replacement at Customer's expense.

PATENTS

All patent considerations are the responsibility of the Customer.

TAXES

Any present or future tax imposed with respect to this agreement, the manufacturer, sale, delivery, transportation or storage of the goods shall be paid by Customer or, if paid or required to be paid by Packaging Solutions Corp., Customer shall reimburse Packaging Solutions Corp. therefore.

CUSTOMER DOCUMENTS

Customer shall be responsible for ensuring Packaging Solutions Corp. has current revisions of all specifications and other documents. Unless otherwise specified by Customer in writing, all Customer documents will be retained for a minimum of five years.

CUSTOMER SUPPLIED MATERIAL

Packaging Solutions Corp.'s liability for the loss or destruction of material supplied by Customer shall not exceed Seller's cost of the materials so lost or destroyed. Unless otherwise specified by the Customer in writing, all material will be stored under normal warehouse conditions.

STORAGE CHARGES

Customer shall pay Packaging Solutions Corp. a monthly storage charge of two percent (2%) of the price of the goods held or stored by Packaging Solutions Corp. more than ninety (90) days after the manufacture of such goods is completed. Any goods held in storage by Packaging Solutions Corp. over one year after the manufacture of such goods is completed may be sold, scrapped or destroyed by Packaging Solutions Corp. without relieving Customer of the obligation to pay for the goods and the storage therefore.

QUANTITY

Packaging Solutions Corp. and Customer recognize that the interests of economical production of the goods prevent 100% quantity security which will not be demanded by Customer. Packaging Solutions Corp.'s delivery to Customer of not less than ninety percent (90%) and not more than one hundred ten percent (110%) of the goods shall constitute compliance by Packaging Solutions Corp. of its obligations under the terms of this agreement or any release order relating hereto. For quantities of less than 1,000, Customer agrees to accept a variation of not more than twenty percent (20%) of the quantity of goods which Packaging Solutions Corp. has agreed to provide.

FORCE MAJEURE

Packaging Solutions Corp.'s delay or failure to manufacture or deliver goods according to the terms hereof shall not constitute a default nor shall it subject Packaging Solutions Corp. to any liability whatsoever, if such delay or failure resulted directly or indirectly from causes reasonably beyond Packaging Solutions Corp.'s control including but not limited to: acts of God, fire, flood, war, government action, strike, or labor trouble, equipment failure, shortage or inability to obtain materials, fuel, equipment, labor or transportation.

ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the parties relating to this transaction and any course of prior dealings, promise or conditions in connection therewith or usage of trade not incorporated herein shall not be binding upon either party. No waiver, alteration or modification of any of the provisions hereof shall be binding unless made in writing and signed by a specifically authorized representative of Packaging Solutions Corp..

INDEMNITY

Customer shall indemnify, defend, and hold Packaging Solutions Corp. harmless from and against all liability, cost and expense for claims and actions of any kind by any third party (excluding Customer, Packaging Solutions Corp., and their employees) for injury, alleged injury, death, property damage or alleged property damage arising out of or in any way connected with the use, possession, or transfer of the goods manufactured and delivered hereunder.

GOVERNING LAW

This agreement shall be governed and construed in all respects in accordance with the laws of the State of Colorado applicable to contracts made and performed in the State of Colorado. Any provision or provisions found to be invalid under the laws of the State of Colorado shall be deemed inoperative without invalidating or otherwise affecting any other provisions of this agreement.

DEFAULT

Customer shall be in default if: (a) Customer fails to pay or cause to be paid any amount required to be paid hereunder and such failure shall continue for five (5) days after the date of such payment becomes due; (b) any petition shall be filed by or against Customer in any court, whether or not pursuant to any statute of the United States or of any State in any bankruptcy, reorganization, composition or extension and if such proceeding is not dismissed within ninety (90) days after institution; (c) Customer is unable to pay its debts as they fall due; (d) any representation made by Customer to Seller is false or misleading or (e) Customer fails to perform or observe an other requirement of this agreement and such failure shall continue for thirty (30) days.

SHELF LIFE

Shelf life of materials varies greatly depending on type of adhesive, material, storage conditions and packaging. Ask your Packaging Solutions Corp. sales executive for the manufacturer's suggested shelf life of the materials used to produce your specific product(s). At no time will Packaging Solutions Corp. accept for credit any product which has been in customer's possession for over one (1) year.